

79-32,269. Tax rate reductions; procedures. (a) (1) (A) Except as provided in subsection (a)(2), commencing with fiscal year 2020, in any fiscal year in which the amount of selected actual state general fund receipts less increases in payments to the Kansas public employees retirement system required pursuant to K.S.A. 74-4914d, 74-4920, 74-4939 and 74-4967, and amendments thereto, or any other statute from such fiscal year exceeds the selected actual state general fund receipts for the immediately preceding fiscal year by more than 2.5%, the director of legislative research shall certify such excess amount, in dollars, to the secretary of revenue and the director of the budget. Upon receipt of such certified amount, the secretary shall compute the income tax rate reductions to go into effect for the next tax year that would reduce by such certified amount, in dollars, the tax rates during the next tax year according to the provisions of this section. The secretary shall compute any income tax rate reductions so that any excess amount is applied such that an equal number of dollars are used to lower all individual income tax rates in K.S.A. 79-32,110, and amendments thereto. In any such computation by the secretary pursuant to this subsection the resulting income tax rate shall be rounded down to the nearest 0.01%. Based on all such determinations, the secretary shall reduce individual income tax rates prescribed by K.S.A. 79-32,110, and amendments thereto, as required by this section;

(B) upon all individual marginal income tax rates being reduced to 0% pursuant to the provisions of subsection (a)(1)(A), rate reduction next shall be applied for the surtax on corporations applicable to the current tax year by such excess amount. Based on such determination, the secretary shall reduce the surtax on corporations prescribed by K.S.A. 79-32,110, and amendments thereto, as required by this section; and

(C) upon the surtax on corporations being reduced to a rate which when combined with the normal tax rate on corporations is equal to or below the combined surtax and normal tax imposed on national banking associations and state banks or is equal to or below the combined surtax and normal tax imposed on trust companies and savings and loan associations, rate reductions shall be proportionately applied for the tax on corporations, the tax on national banking associations and state banks, and the tax on trust companies and savings and loan associations. Such rate reductions shall be first applied to the surtax until reduced to 0% and then applied to the normal tax for each such tax. Based on such determination, the secretary shall reduce the surtax and the normal tax on corporations prescribed by K.S.A. 79-32,110, and amendments thereto, the surtax and normal tax on national banking associations and state banks prescribed by K.S.A. 79-1107, and amendments thereto, and the surtax and normal tax on trust companies and savings and loan associations prescribed by K.S.A. 79-1108, and amendments thereto, as required by this section.

(2) In any fiscal year in which the amount of selected actual state general fund receipts less increases in payments to the Kansas public employees retirement system required pursuant to K.S.A. 74-4914d, 74-4920, 74-4939 and 74-4967, and amendments thereto, or any other statute for such fiscal year are 102.5% or less than the selected actual state general fund receipts from the immediately preceding fiscal year, the director of legislative research shall certify such amount and fact to the secretary of revenue and the director of the budget. Upon receipt of such amount and fact, the secretary of revenue shall not make any adjustment to the income tax rates for that tax year.

(b) The secretary of revenue shall report any reduction in income tax rates prescribed by this section to the chairperson of the assessment and taxation committee of the senate, the chairperson of the taxation committee of the house of representatives and the governor, and shall cause notice of any such reduction to be published in the Kansas register prior to September 15 of the calendar year immediately preceding the tax year in which such reduction takes effect.

(c) As used in this section, "selected actual state general fund receipts" means receipts from the following taxes and fees: Individual and corporation income taxes imposed under K.S.A. 79-32,110, and amendments thereto, financial institutions privilege taxes imposed under article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, retail sales taxes imposed under K.S.A. 79-3601 et seq., and amendments thereto, compensating use taxes imposed under K.S.A. 79-3701 et seq., and amendments thereto, cigarette and tobacco product taxes imposed under K.S.A. 79-3301 et seq., and amendments thereto, cereal malt beverage and liquor gallonage taxes imposed under K.S.A. 41-501 et seq., and amendments thereto, liquor enforcement taxes imposed under K.S.A. 79-4101 et seq., and amendments thereto, liquor drink taxes imposed under K.S.A. 79-41a01 et seq., and amendments thereto, corporation franchise taxes imposed under K.S.A. 79-5401, and amendments thereto, annual franchise fees charged pursuant to law and mineral severance taxes imposed under K.S.A. 79-4216 et seq., and amendments thereto.

History: L. 2013, ch. 135, § 6; L. 2015, ch. 99, § 28; L. 2015, ch. 102, § 4; July 1.